

GOVERNMENT OF ANDHRA PRADESH  
ABSTRACT

Development of Krishnapatnam Port – Extension of exclusive rights to Krishnapatnam Port Company Ltd. On the Northern side upto 30 Kilometers South of Vadarevu Port Limit – Orders – Issued.

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INFRASTRUCTURE AND INVESTMENT ( Ports-I) DEPARTMENT

G.O.Ms.No.40

Date: 08-10-2008.

Read:-

Ref:- From M/s. KPCL Letter No.KP/I&I/Ports, dated 13-05-2008 & 19-06-2008.

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O R D E R:

1. Government have signed a Revised Concession Agreement with M/s. Krishnapatnam Port Company Limited on 17-09-2004 for the development of Krishnapatnam Port in Nellore District. The Clause 3.8 of the Concession Agreement "Exclusivity Rights" reads as follows:-

"GoAP hereby agrees that no party other than the Concessionaire shall have the right to develop a new port, within 30 Kilometers on either side of the Port Limits, during the Concession Period under this Agreement"

2. M/s. Krishnapatnam Port Company Limited has submitted that they are developing a World Class Port at Krishnapatnam and telling huge capital commitment over several phases and long gestation periods.

3. They have further submitted that their primary corporate social responsibility is the ports financial sustainability in the long run there by ensuring and enduring benefits to its direct and indirect stake holders including employees, suppliers, vendors, customers and Government of Andhra Pradesh and villagers in and around the port. They are promoting SEZs, power plants, multifarious industries and social infrastructures in order to change the economic face of this region.

4. They have made a request to extend the concessional rights granted to the company vide revised Concession Agreement dated 17-09-2004 to the coast line stretch lying further to the North of Krishnapatnam Port and up to 30 Kilometers South of Vadarevu Port to enable the revenues of Krishnapatnam to absorb the huge costs being incurred for provide the state of art port facilities over the concession period and to ensure long term viability of the port, to provide necessary synergies, at the same time generating additional revenue to the Government and direct/indirect economic benefit to the local population,

5. In view of recent developments such as decision to develop ports in almost in every coastal district of Andhra Pradesh and development of major ports like Chennai Port, which is close to South of Krishnapatnam Port, the effective hinterland of the Krishnapatnam Port gets reduced to a greater extent thereby reducing the size of the hinterland and cargo handling, affecting the viability of the port.

6. Government after careful examination of the matter hereby decide to extend the exclusive rights of Krishnapatnam Port Company Limited on Northern side of the Krishnapatnam Port up to 30 Kilometers South of Vadarevu Port limits being developed by VANPIC.

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7. Therefore, Government order for necessary amendment to the clause 3.8 of the revised Concession Agreement dated 17-09-2004 to the extent mentioned at para - 6 above.

8. Government also order that if any new port in the extended exclusive area is proposed by the Concessionaire in future, the concessionaire will be responsible for protecting the interest of fishermen and Project Displaced Families (PDF)/Project Affected Families (PAF) on par with other minor ports in the State of Andhra Pradesh by providing Resettlement & Rehabilitation (R&R) as per G.O.Ms.No.68, Irrigation & CAD (Project Wing – LA IV – R&R) Department, dated 08-04-2005 as amended from time to time and as per other relevant GOs issued in this connection, at his own cost.

9. M/s. Krishnapatnam Port Company Limited shall however, obtain required permissions of the Government of Andhra Pradesh for taking up any port related activities on the area specified under exclusivity rights.

10. The Director of Ports, Kakinada shall take necessary action in the matter.

( BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH )

Dr. MANMOHAN SINGH  
SECRETARY TO GOVERNMENT

To

The Director of Ports, Kakinada

The Director, M/s. Krishnapatnam Port Company Ltd., Hyderabad

The Secretary to Government of India, Ministry of Shipping, New Delhi

Copy to:

The Principal Accountant General ( Audit-I ) Hyderabad

The General Administration (Cabinet) Department

The Finance (Exp.PW) Department

The Law (E) Department

Sf/Sc.

// FORWARDED :: BY ORDER //

SECTION OFFICER